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SUBJECT: THAILAND CLIMATE CHANGE EFFORTS FOCUS ON ADAPTATION

REF: A) 08 Phnom Penh 1003; (B) 08 Rangoon 818

¶11. (U) SUMMARY: Although not a major emitter of greenhouse gases, Thailand has a strong policy on both mitigating and adapting to climate change. The Royal Thai Government (RTG) and donor experts foresee possible severe effects from increased flooding, drought and rising sea levels which could threaten Bangkok and jeopardize Thailand's role as a leading rice exporter. With its clean energy and adaptation initiatives, Thailand sees itself as a model for developing nations and is already a donor country. Thailand is a major partner with U.S. EPA for the Methane to Markets (M2M) program, and USAID works with Thailand on climate change activities as part of its regional ECO-Asia Clean Development and Climate Program. Thai academics and officials are keen for more cooperation with the U.S. on climate change research, and Post is exploring several opportunities to expand partnership with Thailand. END SUMMARY.

THAILAND'S CLIMATE CHANGE ISSUES

¶12. Thailand's climate change initiatives focus more on adaptation than mitigation. The RTG, donors, and experts view Thailand, along with the rest of Southeast Asia, as among the most vulnerable to likely climate change (CC) effects. Bangkok is at risk from rising sea levels, and increasing salinization of rivers is expected to affect fisheries. Coastal changes would bring erosion and destruction of coral reefs and mangrove forests. A large part of Thailand is in the greater Mekong River basin, for which climate change is projected to harm crops and fisheries. Himalayan glacial melting will probably have less direct impact on Thailand than South Asia, as the Mekong Basin is largely fed by rain. At a recent conference by the Mekong River Commission on adaptation to CC, scientists appeared to agree on a likely scenario of increased flooding during the rainy season coupled with increased drought during the dry season; also expected is a large population displacement from coastal and riverine areas (including Bangkok) due to rising sea levels.

¶13. Thailand is not one of the major global emitters of greenhouse gases (GHGs) from fuel use, ranking third among developing countries in East Asia after China and Indonesia. Following years of significant deforestation, Thailand banned logging in 1989 and absorption of GHG emissions has increased. Major methane emitters are rice paddies and livestock operations. A national solar radiation map has been completed which identified great potential for Thailand, but so far solar power production has been limited. Many rural Thai still use primitive cookstoves, with the resulting soot a major contributor to GHG emissions as well to mortality (primarily women and children) from respiratory disease. Around 15 percent of Thailand's power is from coal. Major renewable energy

producers are biomass and hydropower. Domestic use and production of biodiesel is still constrained by limited supplies and the lack of clearly defined incentives for biodiesel investment.

THAILAND AND INTERNATIONAL FORA

14. Thailand ratified the United Nations Framework Convention on Climate Change (UNFCCC) in 1994 and the Kyoto Protocol in 2002. RTG websites assert the RTG's awareness of and support for its part to reduce GHG emissions. As part of the run-up to the United Nations Climate Change Conference in Copenhagen in December, Thailand will host the last major round of negotiations in Bangkok 9/28-10/9 (Post anticipates a USG delegation of 25-40). The Ministry of Natural Resources and Environment (MoNRE) is the designated national authority for UNFCCC for Clean Development Mechanism (CDM) projects under the UNFCCC, but projects must be approved by the cabinet.

NATIONAL POLICY ON CLIMATE CHANGE

15. The RTG Cabinet established the National Board on Climate Change Policy in 2006 and gave the policy lead to MoNRE. A National Climate Action Plan has been incorporated into Thailand's current five year national Economic and Social Development plan, setting a target of 5% reduction from 2003 GHG emission levels by 2012. The UNFCCC CDM is Thailand's key financing mechanism for climate change projects; of the last 15 worldwide CDM projects that have been approved and registered by the UNFCCC for approval, two have been from Thailand and both involved biogas production. Under RTG policy, CDM projects should contribute to the National Sustainable Development Plan, effect technology transfer and capacity building, and give priority

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of benefits to local communities.

16. Aree Wattana Tummakird, MoNRE point person for climate change, explained Thai climate change policy to ESTH and other donors on Feb 12. Strategy pillars are reducing vulnerability, GHG mitigation, research support, international cooperation and raising public awareness. Key sub-pillars include developing early warning systems for water and agriculture issues, databases to identify hot spots, and centers of excellence. Sector focuses are water, transportation, energy and agriculture/fisheries. Without minimizing the RTG's commitment to mitigation as part of its global responsibility, Tummakird noted that Thailand's water resources vulnerability makes adaption to climate change the more urgent priority. Thai officials at the February 12 Mekong conference also stated that water management to adapt to CC will be the major focus for Thai CC policy.

17. Thailand's energy policy will affect its GHG emissions, with ambitious plans to displace transport fuel with renewable energy sources within the next five years and reduce per capita energy consumption. In 2008 the RTG announced various energy conservation measures including household appliance loans, industry retrofit loans and new building standards. Thailand has implemented various policies to accelerate the development of new energy resources, promote energy efficiency, and develop renewable energy. Policy incentives for ethanol include soft loans, "build-own-operate" privileges for fuel ethanol plants, and an excise tax holiday for ethanol blended in gasohol. The RTG's Very Small Power Producer (VSPP) program gives tariff incentives to small producers of biofuel, solar and hydro power. Thailand also intends to develop nuclear power by 2020, with a feasibility study underway.

THAILAND AS RESEARCHER AND FINANCIER

18. The ASEAN University Network (a coalition of 22 universities based in Bangkok), Asian Institute of Technology (AIT) and the Joint Graduate School of Energy and Environment (JGSEE) (a coalition of four Thai universities) are among the institutions that have well-respected clean energy and CC programs. In meetings with each of these, ESTHoff found administrators keen for more cooperation with the USG and U.S. universities. Many donor countries such as Japan and the EU have already established cooperation programs. Neighbors such as Cambodia have expressed an interest in learning

about the VSPP and other programs to encourage rural sustainable livelihoods while mitigating climate change effects. The RTG, private sector and Thai academia are active in biofuels research and development. Thai banks and firms have been financing hydropower development in Cambodia (Ref A), Burma (Ref B) and Laos (although the economic downturn has caused re-evaluation of most); these clean energy investments remain controversial because of perceived inadequate environmental assessments to determine the impact of fisheries disruption on food security. Thai and Chinese investors, per some experts, have with their less stringent environmental assessments diminished the influence of the ADB and other MDBs. The RTG National Innovation Agency lists a number of CC-related business innovations, especially in bio plastics. The national Thai Research Fund has supported climate change projects, for example to study methane emissions from rice paddies and develop biofuels such as jatropha.

THAILAND AS DONOR

¶9. Since 2003, RTG policy considers Thailand as an "emerging donor" that can serve as a model for developing nations and a bridge to the developed nations. With its fairly sophisticated research and development combined with aspects of a developing nation, the Thai consider themselves well suited to advise ASEAN neighbors and others in the developing world on appropriate technologies. Thailand has been active in partnerships for Technical Cooperation among Developing Countries. Thailand has sent experts to provide technical assistance, provided academic fellowships, and donated technical equipment as far as Africa. Thailand has sponsored various private sector organizations that look at climate change, such as the Mekong Institute (MI) and International Institute for Trade and Development (ITD). The Centre for Energy Environment Resources Development (CEERD) is part of the Foundation for International Human Resource Development (FIHRD), a Thai Foundation promoting technical and economic cooperation to strengthen national government capacity in Asia and the Pacific in energy-environment planning and policy formulation.

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USG Support

¶10. USEPA works with Thailand as a focus country for the Methane to Markets (M2M) program; with large crop and livestock operations, M2M converts methane from livestock dung to electricity using specialized small generators; the effect is both reduction of methane (a GHG) to the atmosphere and clean energy. USEPA has also funded development of the Thai National Strategy on Global Climate Change and the RTG National Action Plan. The USAID Regional Development Mission for Asia (RDMA) supports CC and energy-related activities in Thailand as part of its regional ECO-Asia Clean Development and Climate Program (CDCP). RDMA engages Thailand in regional efforts related to harmonizing compact fluorescent lamp (CFL) standards, promoting cleaner coal technology adoption, promoting clean energy financing, and preparing a regional study on options for sustainable biofuels (to be published in early April). The ECO-Asia CDCP's leading Thai partner is JGSEE. The DRAGON network for river delta science collaboration, in which USGS scientists are applying lessons learned from Hurricane Katrina and Mississippi Delta research, is focusing on the Mekong river after a launch of the DRAGON Mekong collaboration in November. A June global summit will be in Cambodia. DRAGON collaboration is planned to help Bangkok's Chao Phraya river delta.

DONOR VIEWS AND SUPPORT

¶11. The Asian Development Bank (ADB) has a number of current programs and funded a least-costs GHG strategy. The UN Environmental Programme (UNEP) is preparing an assessment report on climate change and Thailand, while the World Bank, ADB and JABIC are funding another study on mega-city effects. The ADB hosted a meeting February 12 to discuss gaps in its climate change program. In ESTHoff discussion with WB, ADB, NGOs and other national donor agencies, the view was that Thailand was taking climate change seriously but that donor assistance could be well spent in furthering Thailand's efforts, both domestically and as a donor.

The ABD is strongly committed to mitigation, with projects to deliver technical assistance and develop policy incentives for clean energy, mini-hydropower and sustainable biofuels. ADB programs focus on developing public-private partnerships for hydropower export, developing small farm participation in biofuels with pilot projects, technical assistance in developing CDM projects and policy incentives for electric vehicles. Nevertheless, ADB and other donor representatives noted that adaptation has been relatively neglected and needs to become an urgent priority.

¶12. One area for particular concern is rice production. Thailand is the world's largest exporter of rice. Nevertheless, many experts cautioned in the Mekong and ADB workshops that Thai production is inefficient, with high greenhouse gas emissions and is unprepared for climate changes. Increased flooding would damage agricultural structures while increased temperatures, and longer droughts will probably harm output. Thailand's resistance to genetically modified strains of rice as a matter of policy complicates one adaptation mechanism.

UPCOMNG EVENTS

¶13. The NGO Global Change SysTem for Analysis, Research, and Training (START) Regional Center at Chulalongkorn University will host a workshop, "Cities at Risk," February 26-28 to discuss to climate change adaptation for Asia's coastal megacities. Bangkok will be a focus city. The World Alternative Energy Science Expo will be held in Bangkok March 5-7. The Embassy will participate with a booth to showcase Methane to Markets, ECO-Asia, and other programs. EEB in cooperation with USTDA and Commerce is organizing a U.S.-ASEAN Clean Energy Conference for the fall, planned for Bangkok. ECON, FCS and TDA support this conference. The June USGS DRAGON summit in Cambodia will focus on climate change adaptation for large river systems. OES/STC is helping to organize a workshop at the AIT in November for U.S. and ASEAN researchers to create design teams for the next generation of high-efficiency, clean-burning biomass cooking stoves. The belief is that with the short atmospheric lifetime of soot, this investment should pay off more quickly than CO₂ reduction.

¶14. POINTS OF CONTACT: State - ESTH officer Howell Howard, howardhh@state.gov; USAID - Orestes Anastasia for USAID, oanastasia@usaid.gov. The RTG's Climate Change website is <http://www.ortep.go.th/cdm>.

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COMMENT AND OPPORTUNITIES FOR USG COLLABORATION

¶15. Post has a clean energy/climate change goal in its MSP to focus USG cooperation with Thailand. USG assistance has helped to improve Thailand's ability to monitor and report emissions; future assistance should target adaptation as well. Thai officials we have met with are quite positive on our new administration and its anticipated engagement with Thailand and the rest of world on climate change. The Thai and other donors see USG expertise in dealing with water management aspects of natural disasters, for example Hurricane Katrina, as having good potential for collaboration. USAID plans to complete by early April a biofuels assessment for the region which will help to identify areas for collaboration. USG science cooperation could help Thailand develop its perceived gaps in water management for coastal cities in agriculture, data bases for decision-making, and centers of excellence for climate change research. After almost 20 years of banned logging, USG forestry assistance could help Thailand catch up to modern forest management in order to reach its stated goal of 15 percent of planned 40 percent national forest cover to be in commercial forests. USG collaboration with Thailand would leverage the RTG's strong interest in developing its capacity to be a climate change/clean energy donor. The ASEAN University Network presents a particularly good Thailand-based avenue to reach a large number of climate change researchers.